

KELLEY DRYE & WARREN LLP

A LIMITED LIABILITY PARTNERSHIP

1200 19TH STREET, N.W.

SUITE 500

WASHINGTON, D.C. 20036

(202) 955-9600

NEW YORK, NY

TYSONS CORNER, VA

LOS ANGELES, CA

CHICAGO, IL

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(202) 955-9792

www.kelleydrye.com

DIRECT LINE (202) 887-1211

E-MAIL: bfreedson@kelleydrye.com

November 20, 2001

*cc Docket
01-336*

VIA COURIER

Filing Secretary

Federal Communications Commission

Common Carrier Network Services

P.O. Box 358145

Pittsburgh, Pennsylvania 15251-5145

**Re: In the Matter of Grande Communications Networks, Inc.
Application for Authority Under Section 214 of the Communications
Act of 1934, as Amended, for a Pro Forma Transfer of Corporate
Control of a Common Carrier Providing Domestic Interstate Service**

Dear Sir or Madam:

On behalf of Grande Communications Networks, Inc., please find enclosed for filing an original and five (5) copies of the above-referenced Application. Also enclosed with this filing, please find the FCC Form 159 Remittance Advice, and a check in the amount of \$815.00 to cover the requisite filing fee. A duplicate copy of this filing is enclosed. Please date-stamp the duplicate upon receipt, and return it to the courier.

Please feel free to contact me at (202) 887-1211 if you have any questions regarding this filing.

Respectfully submitted,

Brett Heather Freedson

Brett Heather Freedson

Enclosures

READ INSTRUCTIONS CAREFULLY
BEFORE PROCEEDING

FEDERAL COMMUNICATIONS COMMISSION
REMITTANCE ADVICE

Approved by OMB
3060-0589
Page No 1 of

(1) LOCKBOX #
358145

SPECIAL USE

FCC USE ONLY

SECTION A - PAYER INFORMATION

(2) PAYER NAME (if paying by credit card, enter name exactly as it appears on your card)

Kelley Drye & Warren LLP

(3) TOTAL AMOUNT PAID (U.S. Dollars and cents)

815.00

(4) STREET ADDRESS LINE NO. 1

1200 - 19th Street, NW

(5) STREET ADDRESS LINE NO. 2

Suite 500

(6) CITY

Washington

(7) STATE

DC

(8) ZIP CODE

20036

(9) DAYTIME TELEPHONE NUMBER (include area code)

(202) 955-9600

(10) COUNTRY CODE (if not in U.S.A.)

Not applicable

FCC REGISTRATION NUMBER (FRN) AND TAX IDENTIFICATION NUMBER (TIN) REQUIRED

(11) PAYER (FRN)

(12) PAYER (TIN)

0135335107

IF PAYER NAME AND THE APPLICANT NAME ARE DIFFERENT, COMPLETE SECTION B
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C)

(13) APPLICANT NAME

Grande Communications Networks, Inc.

(14) STREET ADDRESS LINE NO. 1

401 Carlson Circle

(15) STREET ADDRESS LINE NO. 2

(16) CITY

San Marcos

(17) STATE

TX

(18) ZIP CODE

78666

(19) DAYTIME TELEPHONE NUMBER (include area code)

(512) 878-4000

(20) COUNTRY CODE (if not in U.S.A.)

Not applicable

FCC REGISTRATION NUMBER (FRN) AND TAX IDENTIFICATION NUMBER (TIN) REQUIRED

(21) APPLICANT (FRN)

0004-2576-14

(22) APPLICANT (TIN)

52-2229928

COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET

(23A) CALL SIGN/OTHER ID

(24A) PAYMENT TYPE CODE

CUT

(25A) QUANTITY

1

(26A) FEE DUE FOR (PTC)

(27A) TOTAL FEE

FCC USE ONLY

(28A) FCC CODE 1

(29A) FCC CODE 2

(23B) CALL SIGN/OTHER ID

(24B) PAYMENT TYPE CODE

(25B) QUANTITY

(26B) FEE DUE FOR (PTC)

(27B) TOTAL FEE

FCC USE ONLY

(28B) FCC CODE 1

(29B) FCC CODE 2

SECTION D - CERTIFICATION

(30) CERTIFICATION STATEMENT

I, **Brett H. Freedson**, certify under penalty of perjury that the foregoing and supporting information is true and correct to the best of my knowledge, information and belief.

SIGNATURE

DATE

11/20/01

SECTION E - CREDIT CARD PAYMENT INFORMATION

(31)

MASTERCARD/VISA ACCOUNT NUMBER:

EXPIRATION
DATE:



MASTERCARD



VISA

I hereby authorize the FCC to charge my VISA or MASTERCARD for the service(s)/authorization herein described.

SIGNATURE

DATE

In the Matter of

GRANDE COMMUNICATIONS NETWORKS, INC.

Application for Authority Under Section 214
of the Communications Act of 1934, As Amended
For a Pro Forma Transfer of Corporate Control of a
Common Carrier Providing Domestic Interstate Service

Grande Communications Networks, Inc. (“Networks” or “Applicant”), by its attorneys and pursuant to Section 214 of the Communications Act of 1934, as amended (“the Act”), 47 U.S.C. § 214, hereby respectfully requests authority to complete a minor *pro forma* transfer of corporate control whereby Grande Communications, Inc. (“GCI”) will transfer one hundred percent (100%) of Networks’ outstanding stock to Grande Communications Holdings, Inc. (“Holdings”). This Application is filed as required for “domestic” service, as Networks holds blanket Section 214 authority pursuant to Section 63.01 of the Commission’s Rules, 47 C.F.R. § 63.01.

Pursuant to the guidelines set forth in the Commission's Public Notice released July 20, 2001¹, Networks hereby provides the following information in support of this Application:

DC01/FREEB/166705.1

1,2 Description of the Transaction and the Parties Involved; Description of the Type of Services Provided and Locations Where Services are Provided.

The transaction proposed by this Application involves the transfer of one hundred percent (100%) of Networks' outstanding stock from GCI to Holdings, thus making Networks a direct, wholly owned subsidiary of Holdings and a sister entity of GCI. This transaction is *pro forma* only, as the ultimate parent of Networks is currently, and will remain, Holdings. The ownership structure relevant to Networks before and after this transaction is shown on the organizational charts attached hereto as ***Exhibit A***.

Networks, a privately held Delaware corporation headquartered at 401 Carlson Circle, San Marcos, Texas, 78666, is a direct, wholly owned subsidiary of GCI, which in turn is a direct, wholly owned subsidiary of Holdings. Holdings is also a privately held Delaware corporation headquartered at 401 Carlson Circle, San Marcos, Texas, 78666.

Networks is authorized to provide interexchange and local exchange services in Florida, Georgia, Indiana and Texas, and to provide interexchange resale services in North Carolina and Washington. Networks is also authorized by the Commission to provide domestic interstate and international telecommunications services. Networks currently provides local and long distance telephony services to residential and business customers in several Texas markets, and provides a limited array of telecommunications services to customers in Georgia, Indiana and Florida, which includes primarily Internet access services to ISPs and other carrier to carrier services. At the present time, Networks does not serve end user customers in Washington and North Carolina.

Correspondence concerning this Application should be sent to:

Brett Heather Freedson
KELLEY DRYE & WARREN LLP
1200 19th Street, N.W., Suite 500
Washington, D.C. 20036
Tel. (202) 887-1211
Fax (202) 955-9792

3. List of Applications Pending or To Be Filed with the Commission Relating to this Transaction.

Pursuant to Section 63.24 of the Commission's Rules, 47 C.F.R. § 63.24, Networks, as a carrier with an international Section 214 authorization, is also filing notice of a *pro forma* transfer of corporate control. On November 29, 2000, Networks received Section 214 authority to operate as a global or limited global facilities-based or resale carrier for the provision of international switched and private line services (ITC-214-20001108-00651). Pursuant to Section 63.18 of the Commission's Rules, 47 C.F.R. § 63.18, approval of this *pro forma* transfer of corporate control is not required, as this transaction will not result in a change in the ultimate control of Networks. As noted above, the ultimate parent of Networks is, and will remain, Holdings.

4. A Copy of the Relevant Merger Agreement, if Any.

There is no relevant merger agreement. This transaction is intracorporate.

5. Statement that Granting this Application is in the Public Interest.

The Commission's grant of this Application serves the public interest, convenience and necessity. This minor *pro forma* transfer of corporate control involves no change to the entity currently offering telecommunications services to customers, or to the rates, terms and conditions of the services offered. Moreover, this transaction does not affect the technical, managerial or financial qualifications of Networks to provide telecommunications services, as the continued

ownership and control of Networks by its ultimate parent, Holdings, ensures the continued availability of identical technical, managerial and financial resources. The day-to-day operations of Networks, including its existing regulatory and customer service personnel, will remain unchanged. Thus, the proposed restructuring will be completely transparent to Networks' current customers.

Networks competes with numerous other telecommunications providers. Because the public interest is best served by assuring the presence of numerous competitors in the market for telecommunications services, it is important to provide such competitors with the flexibility to arrange their ownership structure in the manner they deem most appropriate to carry on their business, to the extent the public is not adversely affected. To deny such flexibility would discourage new competitors from entering the market for telecommunications services, which would not enhance the public interest. The Applicant respectfully submits that this consideration supports approval of the restructuring proposed herein.


6. As evidenced by the Certification attached hereto as *Exhibit B*, no party to this Application is subject to denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

7. For these reasons, Networks respectfully requests that the Commission expeditiously grant this Application.

Respectfully submitted,

GRANDE COMMUNICATIONS NETWORKS, INC.

By:



Andrew Kever
Senior Vice President, General Counsel
and Secretary
GRANDE COMMUNICATIONS NETWORKS, INC.
401 Carlson Circle
San Marcos, Texas 78666
(512) 878-4000

James J. Freeman
Melissa S. Conway
Brett Heather Freedson
KELLEY DRYE & WARREN LLP
1200 19th Street, N.W., Suite 500
Washington, D.C. 20036
(202) 955-9600

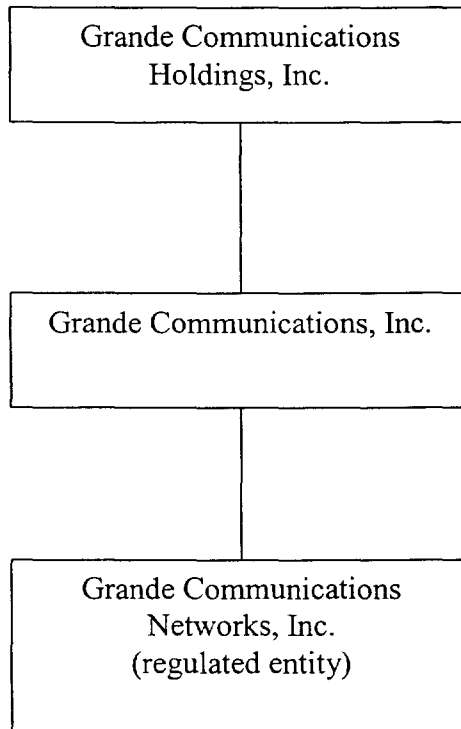
Its Attorneys

Dated: November 20, 2001

EXHIBIT A

PRE- AND POST- RESTRUCTURING ORGANIZATIONAL CHARTS

CURRENT STRUCTURE



PROPOSED STRUCTURE

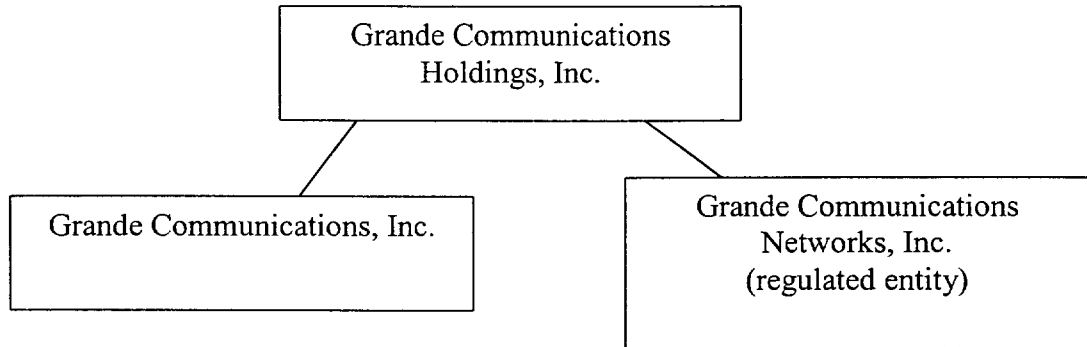


EXHIBIT B

CERTIFICATE

CERTIFICATE

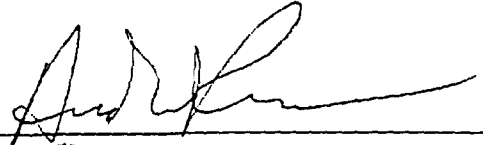
The undersigned hereby certifies, on behalf of Grande Communications Networks, Inc., with respect to the foregoing domestic Application for authority to complete a *pro forma* transfer of corporate control, that:

No party to this Application is subject to a denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

James J. Freeman
Melissa S. Conway
Brett Heather Freedson
KELLEY DRYE & WARREN LLP
1200 19th Street, N.W., Suite 500
Washington, D.C. 20036
(202) 955-9600

Its Attorneys

By: _____


Andrew Kever
Senior Vice President, General Counsel
and Secretary
GRANDE COMMUNICATIONS NETWORKS, INC.
401 Carlson Circle
San Marcos, Texas 78666
(512) 878-4000

Dated: November 20, 2001